SENATE DEMOCRATIC CAUCUS

LANSING, MICHIGAN

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DEMS SEEK ACCOUNTABILITY FROM 'DEADBEAT BOSSES'

Proposal Would Force Corporations to Pay Their Fair Share of Health Care Expenses

LANSING- Michigan Senate Democrats believe that state taxpayers should not be stuck paying tens of millions of dollars every year to subsidize 'deadbeat' corporations who refuse to provide health insurance to their employees. Democrats were out in force on Monday promoting their plan, Senate Bill 734, which would require corporations with more than 10,000 workers to either provide affordable insurance to their employees or reimburse the state for Medicaid related expenses.

"We have a handful of deadbeat corporations who refuse to take responsibility for the costs associated with providing health care to their workers," said Sen. Basham (D-Taylor). "With an already-strained state budget, we can't afford to pick up their slack and the taxpayers of Michigan shouldn't have to."

According to statistics provided by the Department of Human Services, one large Michigan employer, with over 34,000 employees, has more than 15 percent of its workforce on Medicaid while a second employer has more than 17 percent of its workers enrolled. Of the eighteen corporations in Michigan with 10,000 or more employees, four have percentages of employees on Medicaid in the double digits.

"Our Medicaid system was not meant to be a free health care program for corporations who want to maximize profits by denying health care to their employees," said Sen. Hansen Clarke (D-Detroit). "Taxpayers have every right to be outraged that they are being asked to subsidize some of the most highly profitable companies in the world."

Senate Bill 734, authored by Sen. Basham, requires large, highly profitable corporations to invest at least 8% of its payroll into health care coverage for its employees. Employers who refuse will be required to reimburse the state for the difference. The revenues will be put into a newly created "Fair Share Health Care Fund" to be used to reimburse taxpayers for Medicaid related expenses.

Democrats provided the media with DHS statistics that indicate that Michigan taxpayers are subsidizing just a handful of large corporations well in excess of \$100 million annually in Medicaid costs. Just one employer, with 5,402 workers and 5,851 dependents currently enrolled on Medicaid, is costing the taxpayers approximately \$45.8 million dollars per year.

"Highly profitable companies are seeking a competitive advantage by transferring their health care costs onto the taxpayers," said Sen. Martha G. Scott (D-Highland Park). "That is unfair to the companies who are behaving responsibly by providing affordable health care to their workers and it is unfair to the taxpayers of this state."

To learn more about this subject, please visit: www.deadbeatbosses.com

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